**UNITED STATES DEPARTMENT OF COMMERCE**
**Patent and Trademark Office**
**Trademark Trial and Appeal Board**
2900 Crystal Drive
Arlington, Virginia 22202-3513

Butler

**Mailing date: June 1, 2004**

**Opposition No. 91154797**

**Microsoft Corporation**

**v.**

**Valverde Investments, Inc. and Conectron, Inc.**

**Before Hanak, Walters and Rogers, Administrative Trademark Judges.**

**By the Board:**

Applicant seeks to register the mark BACKPAGE for "computer software used to assist in the design and deployment of software applications on the Internet; computer software used to pair or join two or more existing web pages such that they travel throughout the Internet as one entity."[1] As grounds for the opposition, opposer alleges that applicant's mark, when used on the identified goods, so resembles opposer's previously used and registered mark FRONTPAGE for "computer authoring software for use on computer communication networks, namely, software for creating, editing and delivering textual and graphic information, locally and remotely, and instruction manuals sold as a unit"[2] as

[1] Application Serial No. 76156933, filed on October 31, 2000, claiming a *bona fide* intent to use the mark in commerce.
[2] Registration No. 2046526, issued on March 18, 1997, claiming use and use in commerce since October 11, 1995. Section 8 affidavit accepted; Section 15 affidavit acknowledged.

to be likely to cause confusion, mistake or to deceive. Opposer also alleges that applicant's mark is merely descriptive of applicant's goods; and that opposer's mark, which opposer further alleges became famous before the filing date of applicant's application, will be diluted by the registration sought by applicant.

In its answer, applicant, Valverde Investments, Inc. (hereinafter applicant or Valverde), denies the salient allegations of the notice of opposition.

This case now comes up on the following motions and matters:

1) applicant's fully-briefed motion, filed January 26, 2004, to join Conectron, Inc. as party defendant;
2) the parties' stipulated protective agreement, filed February 2, 2004;
3) opposer's consented motion, filed February 17, 2004, to extend discovery and trial dates;
4) opposer's fully-briefed motion, filed March 15, 2004, for summary judgment in its favor on an unpleaded issue (that applicant has assigned its intent to use application in contravention of Section 10 of the Trademark Act);
5) opposer's motion, filed March 15, 2004, to suspend proceedings pending disposition of its summary judgment motion; and
6) opposer's motion, filed March 15, 2004, contemporaneously with its motion for summary judgment, for leave to amend its notice of opposition to include an allegation that applicant assigned its intent to use application in contravention of Section 10 of the Trademark Act.

**Scheduling motions**

Opposer's consented motion to extend discovery and trial dates is granted. *See* Fed. R. Civ. P. 6(b). Opposer's motion to

suspend proceedings pending disposition of its summary judgment motion is also granted. *See* Trademark Rule 2.127(d).

**Applicant's motion to join Conectron, Inc.**

Valverde moves to join Conectron, Inc. (hereinafter Conectron) as party defendant, arguing that it assigned all right, title and interest together with the good will in the mark to Conectron, Inc. A copy of the assignment document accompanies Valverde's motion, indicating an execution date of January 15, 2003, prior to the commencement of this opposition on January 21, 2003. *See* Trademark Rule 2.195(a).[3] In addition, the assignment is recorded at Reel 2780, Frame 0790.

In response, opposer argues that neither applicant's motion nor the assignment has been signed by Conectron or by a person authorized to act on behalf of Conectron, as required by 37 C.F.R. 3.73(b)(2). Opposer further requests that, prior to joining Conectron as party defendant, the requirements of the rule be met.

In reply, Valverde submits the declaration of Dr. Fernando Valverde, president of Conectron, Inc.[4] Said declaration includes a statement that the person signing (Dr. Valverde) is authorized to act on behalf of Conectron.

[3] The Office recently amended its rules to separate the provisions for trademark matters from patent matters. New Trademark Rule 2.195 approximates 37 C.F.R. 1.8. *See* "Reorganization of Correspondence and Other General Provisions" in the *Federal Register* on August 4, 2003 at 68 FR 48286.

[4] Dr. Valverde signed the assignment on behalf of assignor in his capacity as president of Valverde Investments, Inc.

Inasmuch as opposer's objection to applicant's motion to join Conectron has now been remedied, applicant's motion to join is granted, and Conectron, Inc. is joined as party defendant with Valverde Investments, Inc. *See also* TBMP Section 512 (2nd ed. Rev. 1 March 2004).

**Opposer's motion for leave to amend its notice of opposition**

Opposer seeks leave to amend its notice of opposition to include allegations that Valverde assigned its application to Conectron in contravention of Section 10 of the Trademark Act. More specifically, opposer seeks to include allegations that Valverde did not sell or otherwise transfer any portion of its business associated when it assigned the mark to Conectron, as required when the mark is the subject matter of an intent to use application. Opposer further indicates that it first became aware of the facts upon which it bases its motion when it received Valverde's motion to join, which included a copy of the assignment. Opposer's motion is accompanied by the declaration of its attorney in support of the motion and by its proposed amended notice of opposition.

In response, applicant answered the amended notice of opposition by denying the salient allegations therein.

The Board liberally grants leave to amend pleadings at any stage of a proceeding. *See* Fed. R. Civ. P. 15; and TBMP Section 507 (2nd ed. Rev. 1 March 2004). Moreover, in this case,

applicant does not object to the proposed amended notice of opposition and has submitted its answer thereto.

Accordingly, opposer's motion for leave to file an amended notice of opposition is granted; opposer's amended notice of opposition, and applicant's answer thereto, are noted and entered.

**Opposer's motion for summary judgment**

Opposer seeks summary judgment in its favor solely on its claim that Valverde assigned its intent to use application and mark without complying with all the requirements of Section 10 of the Trademark Act, thus invalidating the application. Simply put, it is opposer's position, relying primarily on the language of the assignment document, that Valverde assigned its intent to use application and mark without transferring the business associated with the mark to Conectron. In support of its motion, opposer submits the declaration of its attorney and accompanying exhibits.

In response, Valverde argues that the assignment did transfer the portion of its business associated with the mark to Conectron, and included the appropriate language effectuating the transfer. Valverde argues further that Conectron was created for the sole purpose of developing and marketing the goods associated with the BACKPAGE mark; that it was Valverde's intent to transfer that portion of its ongoing and existing business in association with the mark to Conectron by way of the assignment; and that the

assignment did, in fact, include the appropriate language for such a transfer.[5] Valverde's response is accompanied by the declaration of Dr. Fernando Valverde, who identifies himself as a founder, shareholder and officer of Conectron and as a shareholder and officer of Valverde, stating, in part, that the portion of Valverde's business to which the BACKPAGE mark pertains was transferred to Conectron by the assignment; and by the declaration of Rudy Ibarra, who identifies himself as a founder, shareholder and officer of Conectron, stating, in part, that the portion of Valverde's business to which the BACKPAGE mark pertains was transferred to Conectron by the assignment.

Trademark Act Section 10 provides, in relevant part, as follows:

> (a)(1) A registered mark or a mark for which an application to register has been filed shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark. Notwithstanding the preceding sentence, no application to register a mark under section 1(b) shall be assignable prior to the filing of an amendment under section 1(c) to bring the application into conformity with section 1(a) or the filing of the verified statement of use under section 1(d), except for an assignment to a successor to the business of the applicant,

[5] Applicant objects to the declaration of opposer's attorney arguing that it is replete with conclusory statements made without the declarant's personal knowledge, referencing paragraph no. 6 as an example. The statement at paragraph no. 6, that the assignment in question does not transfer any portion of the Valverde's business associated with the mark to Conectron, appears to have been made based on the declarant's review and interpretation of the assignment document. Declarations in support of, or in response to, a summary judgment motion may be self-serving in nature. *See* TBMP Section 528.05(b) (2nd ed. Rev. 1 March 2004). The Board is aware of this, and is mindful to accord all evidence on summary judgment the appropriate probative weight. In this case, the Board declines to sustain applicant's objection and will allow the declaration of opposer's attorney in support of opposer's motion for summary judgment.

> or portion thereof, to which the mark pertains, if that business is ongoing and existing.

Both parties agree that Section 10, *supra*, is applicable. It is opposer's position that the language of the assignment does not include a transfer of that portion of Valverde's business which pertains to the mark. It is Valverde's position that the language of the agreement does, indeed, effectuate such a transfer. Thus, we will look at the language of the assignment document, *infra*.

Opposer relies on the decision in *Clorox Co. v. Chemical Bank,* 40 USPQ2d 1098 (TTAB 1996), wherein the Board, on summary judgment, found that there were no genuine issues of material fact, and the assignment of an intent to use application from USA Detergents, Inc. to Chemical Bank was invalid, though entered into for purposes of securing loan finances, because it was an outright rather than conditional assignment, and there was no transfer to Chemical Bank of USA Detergent's on-going and existing business pertaining to the mark. The Board observed that it was plain, by virtue of the license back to the assignor to use the mark, that Chemical Bank was not the successor in interest to USA Detergents since the latter continued to operate the business in relation to the goods.

Opposer argues that the relevant language in the assignment at issue in *Clorox* states, in part, as follows:

> The Assignor … hereby assigns and transfers to the Assignee all of the Assignor's right, title and interest in and to all of the Assignor's Tradenames (*sic*) and/or Trademarks …,

> together with the goodwill of the business connected with the use of and symbolized by these respective Trademarks….

Opposer argues that Valverde's assignment to Conectron "… makes the same fatal flaw" by failing to transfer the business. Opposer relies solely on the fifth, and final, paragraph of the assignment, which states as follows:

> NOW, THEREFORE, in consideration of the sum of ten dollars ($10.00) for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Valverde Investments, Inc. hereby sells, assigns and transfers to Conectron, Inc. all right, title, interest and goodwill in and to the Mark and pending application therefore, together with the goodwill of that portion of Valverde Investments, Inc.'s business in connection with which it has a *bona fide* intention to use the Mark.

Valverde argues that the language relied upon by opposer is in accordance with the statute, and transfers that portion of its business to which the mark pertains to Conectron.

We agree with Valverde. The decision in *Clorox* is distinguishable because the assignment agreement between USA Detergents and Chemical Bank included provisions for USA Detergents to retain the ongoing and existing business and to continue using the mark on the goods as it had been doing. There are no such provisions here. In addition, the paragraph of the assignment from Valverde to Conectron immediately preceding the one relied upon by opposer here expresses Conectron's desire to acquire Valverde's business in connection with the mark and pending application. Said paragraph states as follows:

> WHEREAS, Conectron, Inc. a Florida Corporation, with its principal place of business at 1414 NW 107th Avenue, Suite 201, Miami, Florida 33172, desires to acquire the business

> of Valverde Investments, Inc. in connection with which Valverde Investments, Inc. has a *bona fide* intent to use the Mark and pending Application.

Thus, there are no genuine issues of material fact, and the assignment from Valverde to Conectron included a transfer of that portion of Valverde's business which pertains to the mark.

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issue of material fact and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56. A genuine dispute with respect to a material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. *See Opryland USA Inc. v. Great American Music Show, Inc.,* 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). Thus, all doubts as to whether any particular factual issues are genuinely in dispute must be resolved in the light most favorable to the non-moving party. *See Olde Tyme Foods Inc. v. Roundy's Inc.,* 961 F.2d 200, 22 USPQ 1542 (Fed. Cir. 1992). If the Board concludes, upon a motion for summary judgment, that there is no genuine issue of material fact, but that it is the non-moving party, rather than the moving party, which is entitled to judgment as a matter of law, the Board may, in appropriate cases, enter summary judgment *sua sponte* in favor of the nonmoving party (that is, enter summary judgment in favor of the nonmoving party even though there is no cross-motion for summary judgment). *See, for example*, *Sprinklets Water Center Inc. v. McKesson Corp.*, 25

USPQ2d 1441 (E.D. Mich. 1992); and *Visa International Services Ass'n. v. Life-Code Systems, Inc.* 220 USPQ 740 (TTAB 1983).

Inasmuch as there are no genuine issues of material fact, and the assignment from Valverde to Conectron included a transfer of that portion of Valverde's business which pertains to the mark, opposer's motion for summary judgment is denied and summary judgment is entered in applicants' favor on the issue of the validity of the assignment from Valverde to Conectron.

**Stipulated protective agreement**

The stipulated protective agreement filed on February 2, 2004 is noted. The parties are referred, as appropriate, to TBMP §§ 412.03 (Signature of Protective Order), 412.04 (Filing Confidential Materials With Board), 412.05 (Handling of Confidential Materials by Board).

The parties are advised that only confidential or trade secret information should be filed pursuant to a stipulated protective agreement. Such an agreement may not be used as a means of circumventing paragraphs (d) and (e) of 37 CFR § 2.27, which provide, in essence, that the file of a published application or issued registration, and all proceedings relating thereto, should otherwise be available for public inspection.

**Proceedings resumed**

Each party is allowed until **thirty days** from the mailing date of this order to respond to the outstanding discovery requests, if

any, of its adversary.[6] Discovery and trial dates are reset as indicated below:

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| THE PERIOD FOR DISCOVERY TO CLOSE: | July 1, 2004 |
| 30-day testimony period for party in position of plaintiff to close: | September 29, 2004 |
| 30-day testimony period for party in position of defendant to close: | November 28, 2004 |
| 15-day rebuttal testimony period to close: | January 12, 2005 |

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Rule 2.l25.

Briefs shall be filed in accordance with Rule 2.l28(a) and (b). An oral hearing will be set only upon request filed as provided by Rule 2.l29.

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[6] This is simply a scheduling order and not an order compelling discovery.